GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1513
ANSWERED ON:02.12.2005
OPENING OF BANK ACCOUNT
Pathak Shri Brajesh

Will the Minister of FINANCE be pleased to state:

(a) whether the facility to open bank accounts for entire population of country and free bank accounts for those who do not have money to open accounts in commercial banks has been proposed in monetary Policy released by the Reserve Bank of India;

(b) if so, the details thereof;

(c) whether the Commercial Banks of the country have taken any steps to comply with the directions of Reserve Bank of India in this regard; and

(d) if so, the Commercial Banks who have / have not complied with the directions of Reserve Bank of India as on date?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANTMANICKAM)

(a) & (b) : With a view to achieving greater financial inclusion, the Reserve Bank of India in the Annual Policy statement of April 2005, advised all banks of a need to make available a basic banking `no frills` account either with `nil` or very low minimum balance as well as charges that would make such accounts accessible to vast sections of the population. The nature and number of transaction in such account could be restricted, but made known to the customer in advance in a transparent manner.

(c) & (d) : As per circular issued by RBI on 11.11.2005, banks have been advised to report the action taken by them and compliance within one month. Further, banks have also been advised to report the number of such deposit accounts opened by them on a quarterly basis.